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Subject

23 March 1981

MEMORANDUM FOR: Director of Personnel Policy,
Planning, and Management

FROM :

Deputy Director for Policy, Analysis
and Evaluation

SUBJECT : Implementation of the Overseas Pay Schedule

1. Background

a. On 18 December 1980, the previous Director of Central Intelligence approved a recommendation, prepared by the Offices of Finance and Personnel and endorsed by the Executive Committee, providing a 9.6 percent salary increase for Agency employees serving overseas. This new benefit is slated for implementation on 5 April 1981. (U)

b. The objective of the Overseas Pay Schedule is to provide a new incentive to attract and retain highly qualified personnel for overseas service. It is also anticipated that this pay increase will provide our overseas employees with compensation equitable to that now provided Foreign Service employees as a result of the Foreign Service Act of 1980. The Foreign Service pay increase was effective in February 1981 and covers employees serving both overseas and in the U.S. (U)

c. On the basis of the DCI's approval of the Overseas Pay Schedule and in response to many inquiries from employees overseas concerned with comparability between Foreign Service and Agency personnel, a cable announcing the new pay system was sent to all stations and bases on 23 December 1980. (C)

2. Discussion

Early in the planning of the new pay system it was apparent that because of the rapid development of the idea and the fact that budgets for the next year were committed to other priorities, that funding for the overseas pay would be difficult to obtain. This obstacle continues to plague the program and the alternative of delaying implementation must now be considered. (U)

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Option - Delay implementing the Overseas Pay Schedule until July 1981 at which time it is anticipated that funding will be available.

a) Pro - Provides more than 90 days to identify required funding within or outside the Agency.

- Provides more time for administrative changes to existing computer and Office of Finance systems to accept the new system. At this time, most major computer programming has been completed and OF will be able to provide an orderly transfer of employees to the new system within a short period following 5 April 1981. (U)

b) Con - It is expected that a delay will have a significant negative impact on employee morale.



- The delicate balance that existed in salary comparability between our overseas personnel and their Foreign Service counterparts will be distorted. This also fuels the controversy and Agency employee perception that we are expected to do more, to perform sensitive operational tasks [redacted] and security for the same or less salary than a Foreign Service officer. (U)

3. Alternatives and Recommendations

a. In spite of our best efforts, we may not be able to provide the necessary funding for the Overseas Pay Schedule in time to implement it on 5 April 1981. This is a serious problem as it has the potential for a significant and lasting negative impact on employee morale. For this reason it is strongly recommended that every possible alternative be explored to identify funding for this program by 5 April 1981. (U)

b. If funding is not available for this benefit by April, then it is recommended that implementation be delayed until July 1981 but with the caveat that the effective date of the Overseas Pay Schedule be retroactive to 5 April 1981. (U)



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OPPPM/P&AE [redacted] (23 Mar. 81)

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